

TOP SECRET

SECRET

CONFIDENTIAL

UNCLASSIFIED

Approved For Release 2002/01/22 : CIA-RDP72-00337R000300010004-1

DISTRIBUTION:

DDCI
ExD
DNIPE
DDI
DDP(2)ONE
OSR
OSI(2)
C/OPCN
PDB

INDICO A213

IW
SAVA
OSDe
fa
wh
mea

GOODW

Press Item for the DCI

STATINTL

Date: 30 Mar

Item: No. 19

Ref: No.

Attached is another effort (by AP's George Esper) to tell it all about the US involvement in Laos. He writes a good bit about the Agency. Goodwin has a copy.

STATINTL

Laos-U.S. Bt 500, two takes total 990

By GEORGE ESPER
Associated Press Writer

VIENTIANE, Laos AP

How deeply is the United States involved in Laos?

Official sources say American civilian pilots, U.S. military attaches, and the Central Intelligence Agency all are helping in some degree to protect government forces against attacks by the Communist-led Pathet Lao.

In addition swarms of U.S. warplanes bomb and strafe in support of Laotian forces or attack the Ho Chi Minh trail that the North Vietnamese use in eastern Laos to funnel supplies and troops to South Vietnam. The planes fly from bases outside Laos.

The American civilians based here perform what amount to military functions under auspices of the U.S. Embassy, the Agency for International Development and two companies under charter to AID-Air America and Continental Air Services, Inc., the informants report.

They say more than 200 Air Force and Army attaches, regular military officers, serve as advisers in the field and as aerial observers and spotters for bombing or artillery missions. Two Air Force attaches were missing this weekend after their light observation plane crashed in central Laos while on an operational mission.

The best available information is that as many as 100 CIA personnel are operating in Laos under cover of AID or the U.S. Embassy. Other CIA agents are said to operate in the black, meaning they are not carried on either embassy or AID rolls.

Each guy operating in the black is provided with a story, explains one source in the know. They are not on any list. Supposing a Newsmen encounters a civilian in the field and asks him "Who do you work for?" He would say the Defense Department, or that he is an employee of some civilian firm. AID officials will neither confirm nor deny that their organization is a cover for CIA operations.

President Nixon in a statement March 6 reported: "The total number of Americans directly employed by the government in

President Nixon in a statement March 6 reported: "The total number of Americans directly employed by the government in

These comments represent the initial and tentative reaction of the Office of Current Intelligence to the attached item from the news services.

Approved For Release 2002/01/22 : CIA-RDP72-00337R000300010004-1

President Nixon in a statement March 6 reported: "The total number of Americans directly employed by the government in Laos is 616. In addition, there are 424 Americans employed on contract to the government or contractors.

"Of these 1,040 Americans, the total number, military and civilian, engaged in a military advisory or military training capacity numbers 320. Logistic support numbers 323."

The U.S. mission here refuses to go beyond Nixon's statement but informed sources give this breakdown:

- More than 200 Americans directly employed by the government are Army and Air Force attaches.

- Up to 100 civilians are CIA agents, most of them former Marines and Army Green Berets.

- 31316 Americans are directly employed by the U.S. GOVERNMENT, PRESUMABLY MOSTLY Embassy and AID employees.

- Of the 424 Americans employed under government contracts, 200 are pilots for Air America and Continental Air Services, Inc. Another 100 are ground employees of the two airlines.

Another contract group is International Voluntary Services, which has about 60 American volunteers teaching and working in agriculture, community development, and public health.

"AID does some things done by military missions in other countries," one source says. "They move hardware guns and ammunition along, working behind the Lao. We can't begin to comment on who supplies the cover."

The source admitted that the idea is to skirt the 1962 Geneva agreements on Laos, which do not permit a military assistance command for Laos such as the U.S. Military Assistance Command in Vietnam.

More

JH268 pgs March 30

A215

lbylwyyf

VIENTIANE Take 2, Laos-U.S. Bjt A213: Vietnam. 490

One of the key CIA operations under AID is the "requirements office," which includes 20 to 30 Americans. It deals in military weaponry.

"This requirements office was devised for moving ordnance, and most of the people are former military men," says the source.

The two airlines, while operating under civilian corporate charters, in effect form a military aid force based in Laos. The total cost to the U.S. government for their services is estimated at about \$15 million per year.

"They AID call, we haul," said one man in explaining that missions are not questioned. He acknowledged that many missions were of a clandestine nature, but declined to elaborate.

The U.S. Air Force provides military aircraft such as C123 and C7 Caribou transports to Air America to ferry troops, war materials and refugees in Laos and to make rice drops at refugee sites.

Pilots receive hazardous-duty flying pay, like U.S. Air Force men flying in South Vietnam, because of the threat of enemy ground fire.

Air America maintains a major base in Udorn, Thailand, from which it flies helicopters to Laos.

All told, the two airlines have fleet of 76 fixed-wing aircraft of a half-dozen types and 31 helicopters. Each airline logs 5,000-6,000 flying hours a month.

James A. Cunningham Jr., 52, of Chicago, base manager for Air America in Vientiane, says "100 per cent of our work is for the U.S. government."

He declines to discuss any secret operations.

Cunningham was a Marine Corps pilot in World War II, and most Air America pilots have a military background.

Their salaries range from \$24,000 to \$30,000 per year for senior pilots and from \$20,000 to \$24,000 for pilots. Each pilot is limited to 100 hours of flying a month.

Many of the pilots have their wives and children with them. Most of the Continental pilots and their families live in a company compound that resembles a California motel, replete with a swimming pool and gardens.

The Air America families are scattered throughout Vientiane, living in homes rented locally.

Air America and Continental do not fly at night, so most of the pilots are home by dusk.

RK310PES Mar. 30